

The rules of espionage

The Reagan administration has rejected a proposal to put the Central Intelligence Agency back into the business of running clandestine operations within the United States. Top White House officials apparently concluded that, since the Federal Bureau of Investigation is available for doing counter-intelligence and counter-terrorism investigations here, nothing is gained by bringing the CIA back into the act.

In the course of the short controversy that followed the proposal, CIA Deputy Director Adm. Bobby Ray Inman publicly condemned it. And therein lies a lesson that should instruct the administration as it considers whether to loosen restrictions on the FBI.

That an official as high in the intelligence community — and as sensitive to its needs — as Adm. Inman spoke out against lifting restrictions on the CIA suggests that the rules established under the Ford and Carter administrations are not unduly restrictive. In addition, it suggests that these rules are also beneficial to the intelligence establishment.

To understand why they are beneficial, just remember the bloodletting within the intelligence community after Watergate. Public suspicion was rife. Legal standards controlling the FBI, CIA, and other agencies had for years been vague and unexamined. The agencies had acted for a generation in almost total secrecy. They had been given improper orders by various Presidents and Presidents' men. And they had limited grounds for refusing to abide by these orders.

When the great national revisionism set in after Watergate, the agencies were left exposed. They were publicly pilloried in the press and the Congress. They bore the responsibility for conduct that had in some cases been pressed upon them by political leaders. Charges against them were resurrected from the remote past. And they suffered great injury in the process.

The regulations established in the mid-1970's governing the intelligence agencies served several purposes. Of course, they helped reassure the public that in the future the secret organizations in the government would be held in check. But they also provided a generally agreed-upon set of standards defining what kind of behavior was legitimate and what kind was abusive. In that sense, they served to protect the agencies against another wild swing of opinion in the future.

It is important in a free society such as ours that there be some steadiness in the standards of conduct established for agencies that must operate in secret. It is important because such agencies always threaten to violate individuals' political liberties. But it is also important because the agencies are themselves threatened whenever the political climate changes. They can do their work effectively under the existing standards. No less an authority than the FBI director himself has attested to that. And now they need not fear another bloodletting because the rules are written to reflect an enduring balance between the need vigorously to combat espionage and terror and the need to protect individual liberty.

Adm. Inman did not publicly object to lifting the restrictions on the CIA's domestic activities solely out of concern for future abuses by the CIA but also out of concern about future abuse of the CIA.

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ON PAGE A-23

NEW YORK TIMES
26 MARCH 1981

ESSAY

The Five Families

By William Safire

WASHINGTON, March 25 — Only experienced Mafiologists understand the division of power and turf in the Reagan syndicate. Five families dominate the foreign policy scene:

1. *The Meese Family.* Big Ed's chief foreign policy *caporegime* is Richard Allen, whose *consigliere* is Richard Pipes, the recently-slapped-down hard-liner. This White House family was reluctantly forced to go to the mattresses this week with:

2. *Big Al's Family.* Underboss of the Haig gang in Foggy Bottom is Larry Eagleburger, although William "the Judge" Clark, from the Meese family, is permitted to attend all but blood-family meetings. Other clans were content to let Big Al's family appear to be dominant until Big Al — who is said to sprinkle turfbuilder on his corn flakes — began to believe his own adulatory cover stories. However, the Haig men retain close ties to:

3. *Cap the Knife's Family.* Cap's Pentagon clan boasts Frank "the Fence Jumper" Carlucci, who brought with him complete knowledge of the family jewels of:

4. *Casey's Family.* This upriver C.I.A. mob, with underboss Bobby ("That's My Real Name") Inman and European button man Hans Heymann, is reluctant to share its secrets with the smallest and weakest of the group:

5. *Willie the ACDA's Family,* which is automatically suspect because the Arms Control and Disarmament Agency is required by statute to blab to the Capitol Hill fuzz. The Meese family blocked Gen. Ed Rowney from becoming the ACDA's godfather because he was too close to Big Al's family, and the job has been offered to Eugene "the Yalie" Rostow. *Caporegime-in-place* is Michael Pillsbury, threatened by Scott Thompson if the Meese family proves willing to accept two Democrats to head ACDA.

As we all know, when Big Al demanded to be named *capo di tutti capi* on any occasion that all five families came under attack, the Meese clan countered with "crisis manager" George Bush, who has the undisputed status of a *Lucky Luciano*. Haig, who learned *tam-tum* throwing from the expert, knew enough not to threaten to resign this time — his family franchise would have been attached to him.

What only Mafiologists know, however, is that this clash goes beyond ego-tripping and also deals with the substantive question: Which family shall control the spy satellites? Cap the Knife's Air Force owns them and is required to share info with the ACDA family, but Casey's family evaluates the data and Big Al would be disadvantaged in a crisis without the word from Rhyolite and the "Big Bird."

A similar turf dispute, which remains hidden from fuzz on the Hill and the peachfuzz in the galleries, is brewing between the Cap the Knife and Casey families. Casey's National Intelligence Estimates report on potential enemies, and do not evaluate U.S. forces; Bobby the Underboss wants to include United States defense potential in his reports. But since these estimates must also go to the fuzz, Cap's family in the Pentagon will go to the mattresses before it permits the fuzz to play one family off against another.

We should not be misled, however, by lurid tales of inter-family poaching and scrapping. Certain basic rules have been agreed to among the five clans:

1. *No cable should be sent overseas without the approval of all five families.* This rule has always been adhered to. Disagreements are often thrashed out at "IG" (Interagency Group) meetings at the level of Richard Burt of Big Al's family, and Richard Perle of Cap the Knife's family, obviating the need for too many Apalachin-like "SIG" (Senior IG) gatherings of the dons. Not yet settled: whether policy speeches must be signed off on by all five families.

2. *Every family should tell the fuzz the same story.* This rule is rarely breached, which made Big Al's heart-felt singing to the House such a source of consternation. The favored means of communication to the fuzz is through "the Jefferson group," an informal multifamily group formerly called "the Madison Group"; the approved fuzz informer is Jesse Helms' *consigliere*, John Carbaugh.

3. *No family should leak to the peachfuzz to embarrass another.* This rule has been shattered: Evans and Novak have detailed Big Al's triumphs over Cap the Knife, and Marvin Kalb showed the text of a SIG Pakistan study on NBC television (fortunately, nobody saw it).

Can there be peace among equally powerful families, or must one of them predominate?

Much depends on Big Al's quest for haigemony. Though he is embarrassed today, he plans a quiet coup next week: State's Larry the Eagle, accompanied by ACDA's Michael the Pill, are going to Brussels for a meeting of the Special Consultative Group to discuss the future of the family franchise. From now, the other families will discover that this meeting was considered by Europeans to be the cold dawn

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FOR PUBLIC AFFAIRS STAFF

STATINTL

PROGRAM All Things Considered

STATION WETA Radio
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DATE March 13, 1981

5:00 PM

CITY Washington DC

SUBJECT Domestic Restrictions on the CIA

NOAH ADAMS: Today on Capitol Hill, in a meeting behind closed doors, Deputy CIA Director Bobby Inman told senators that he does not endorse a proposal now circulating that would make it easier for the CIA to carry out domestic spying operations. According to Senator Daniel Moynihan, who was at the Senate Intelligence Committee meeting Admiral Inman said the Reagan Administration has not yet agreed to adopt the plan.

All Things Considered commentator Daniel Schorr says it would be ironic if President Reagan did relax domestic restrictions on the CIA.

DANIEL SCHORR: Guess who was a member of the 1975 Rockefeller Commission investigating the CIA, and guess who signed the unanimous report to President Ford criticizing spying on American dissidents. Ronald Reagan, that's who. And Reagan joined in this recommendation of the panel: "Presidents should refrain from directing the CIA to perform what are essentially internal security tasks. The CIA should resist any efforts, whatever their origin, to involve it again in such improper activities." That's a quote.

Six years later, harking to the trendy anti-terrorism slogans from the Right, President Reagan wants to lift some of the Ford and Carter restraints on domestic espionage, buying a little more internal security for a little less civil liberty. It looks like the pendulum swining back to the day of covert wire-tapping, mail-opening, and break-ins.

But maybe not. This time there are signs of resistance from the intelligence community, still feeling the bruises of previous White House abuse of intelligence agencies.

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ARTICLE CONTINUED
ON PAGE 29NEWSWEEK
23 March 1981

NATIONAL AFFAIRS

A CIA Spy Ploy Backfires

The intent, they said, was merely to correct a woeful lack of hard information about international terrorism. So an interagency group headed by CIA general counsel Daniel B. Silver prepared a draft Executive order that would give the CIA broad new latitude to spy on U.S. citizens—virtually repealing Presidential directives by Gerald Ford and Jimmy Carter and all but ignoring the troubled history of the agency's domestic spying operations in the 1960s and '70s. But last

the United States, and he urged that the agency no longer be required to obtain the Attorney General's case-by-case approval to use other intrusive surveillance techniques, such as mail openings and surreptitious searches. His draft order would soften restrictions on compiling dossiers on Americans at home and virtually scrap current limitations on surveillance of U.S. citizens abroad. CIA agents would be allowed to infiltrate U.S. organizations with foreign ties, including some multinational corpo-

lieve that at least some modest relaxation of the rules will be approved later this year. Conservative pressure to unshackle the CIA remains heavy, and ultimately," Inman said, "we're going to have to deal with the problem of terrorism." The difficulty, as the nation has learned the hard way, will be in balancing legitimate national-security needs with constitutional guarantees.

TOM MORGANTHAU with ELAINE SHANNON and DAVID C. MARTIN in Washington



UPI

Casey: He circulated the proposals

week the proposals, with a covering letter signed by CIA director and OSS veteran William Casey, were suddenly leaked to the press, triggering a protest in Congress and prompting the CIA's deputy director, Adm. Bobby Ray Inman, to disavow the whole thing.

The proposals caused alarm because they provided few checks on CIA activities in the United States. They would sharply curtail Justice Department oversight of CIA investigations involving U.S. citizens, and they would allow the agency far more leeway for operations within the United States—despite the conclusion by both the Ford and Carter administrations that the FBI was better prepared to function with constitutional restraint. "While FBI agents sometimes operate clandestinely, they also operate constantly with the idea that this may become subject to public commentary and judicial review," said one critic of the proposals, former Justice Department lawyer Kenneth Bass. "The spotlight is a good check."



John Ficara—Newsweek

Inman: He publicly disavowed them

rations; equally worrisome to civil libertarians, the Silver proposals would jettison a Carter-era ban on CIA attempts to influence the activities of those organizations and their members.

'Full Circle': The American Civil Liberties Union warned that the proposals would "seriously jeopardize" the rights of "law-abiding citizens." If they were approved, said Sen. Joseph Biden, "we will truly have come full circle on the issue of legitimate restraints" on the CIA. With Casey out of the country, Inman—a low-profile specialist whose mastery of sophisticated technology landed him the CIA's No. 2 job—quickly went public to oppose a return to

ARRIVED
ON PAGE 14.TIME MAGAZINE
23 March 1981

Freeing the CIA

Spooks want to spy at home

During the Viet Nam era, the Central Intelligence Agency collected files on 7,200 American citizens, as it and the FBI tried to link domestic dissenters with foreign plots—an activity that it was not empowered to pursue. After Watergate, and the disclosure of CIA misdeeds, Presidents Ford and Carter issued Executive orders to curb the agency's activities and protect American civil liberties. But Ronald Reagan's election has evidently emboldened the CIA to try to roll back some restrictions. Under consideration is a proposed Executive order that, if signed by the President, would give the CIA extensive domestic power.

The proposal, believed to have been drafted by mid-level career CIA agents, would permit the agency to undertake covert operations within the U.S. and, in fact, spy on American citizens. The CIA would no longer be required to collect information by the "least intrusive means possible," thus making possible warrantless searches, surreptitious entries and infiltration of political organizations.

The push for a new Executive order has been made in the name of combating terrorism. At a National Security Council meeting held during the first two weeks of the new Administration, some participants stressed that limits put on the CIA had prevented the agency from following suspected terrorists once they had entered the U.S.

Criticism of the proposed order has been sharp. Says Don Edwards, chairman of the House Civil and Constitutional Rights Subcommittee: "This draft order would put the CIA back in the business of domestic spying." The FBI does not like the proposal because it would reduce the bureau's traditional jurisdiction over domestic counterintelligence. Attorney General William French Smith is determined to maintain Justice Department supervision of the CIA. Even top CIA figures have not endorsed the proposal. Vice Admiral Bobby Inman, the agency's deputy director, announced that if "repugnant changes" were made to existing limitations on the CIA, he would resign.

It is doubtful that such "repugnant changes" will occur. Insiders believe that Reagan's final Executive order will be less restrictive than Carter's, but more protective of American freedoms than last week's draft proposal. Interestingly enough, Ronald Reagan, then a private citizen and former Governor, was a member of the presidential commission headed by Vice President Nelson Rockefeller in 1975 that recommended many of the present restrictions. The commission's conclusion: "Presidents should refrain from directing the CIA to perform what are essentially internal security tasks." ■

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22 March 1981

TERRORISM: AN AN LINK IN LIBYA

How two former CIA agents, turned mercenaries, took their course in terrorism for Libyan strongman Muammar Khadafy. With tons of arms and explosives, and a cadre of other Americans like themselves, they hatched a scheme that some of the participants believed was a CIA-backed plot. Whoever the sponsors were, it reveals a new breed of American soldiers of fortune, using their special skills to enemies of the United States.

By Stephen Kurkjian
and Ben Bradlee

As a Green Beret, he was accustomed to clandestine assignments in exotic places. But this was different.

Before, whether in Southeast Asia or the Dominican Republic, he'd always known that he was working for the United States. But now he was in Libya, an avowed enemy of the United States, working for its terrorist-prone military.

He had been in Tripoli less than a week when he was first taken to see the base of operations for the group he had joined. With another American at the wheel, they drove about twenty miles south of their luxury, seaside hotel until the sandy stretches of North African desert gave way to a lush orange grove. The car stopped at the end of the grove in front of the palace of Mohammed Idriss El Senussi, the former king of Libya, who had been ousted in 1969 in a bloodless coup mounted by Muammar Khadafy, the Libyan leader.

Behind a set of locked doors in the basement of the servants' quarters was located, in effect, a small American munitions factory, stocked with explosives shipped from the United States. There a group of Americans was busy camouflaging assault rifles, flashlights, candles, briefcases, and ashtrays.

The Green Beret, who less than ten days earlier had been going through routine army drills at Fort Bragg, North Carolina, was now part of an ongoing operation which, from 1976 through at least 1979, is alleged to have provided terrorist training and explosives for the Libyan government.

At its simplest, this story tells how a growing band of mercenaries, many of them Americans, are selling their daring and special knowledge to the highest bidder -- in this instance, the forces of international terrorism. But some of the Americans involved in the Libyan project -- including the Green Beret who was given a leave of absence by his superiors to take part in the operation -- are convinced that the US government knew full well what they were doing, and may have let the project continue longer than it should have, in hopes of infiltrating the international terrorist movement. Muammar Khadafy, after all, has openly financed such groups as the Palestine Liberation Organization, Italy's Red Brigades, the Irish Republican Army, the Japanese Red Army, German's Baader-Meinhoff gang, and others.

There is little doubt, though, that this project was a scheme hatched by two former Central Intelligence Agency (CIA) employees, Edwin P. Wilson and Francis E. Terpil, who used their expertise to design a program that would train and provide explosives and weapons to terrorists in Libya.

First Americans recruited for the Libyan affair informed the CIA of the operation in September 1976, the agency notified the FBI. Yet the operation continued at least until late December 1979, according to a federal investigators' report, more than three years after the FBI investigation was begun.

Up to that point, officials now allege that the following had taken place:

- More than twenty Americans, including five former CIA employees, a Green Beret on leave, five ex-Green Berets, five former army explosives experts, and two civilian naval engineers were flown to Libya to perform a wide variety of support activities for Khadafy's military.

- Some of the Americans were put to work camouflaging terrorist bombs while others trained Libyan commandos in everything from bomb detonation to parachute jumping.

- Millions of dollars worth of military hardware, including twenty-five thousand pounds of explosives and a ground-to-air Redeye missile, were contracted for shipping to Libya without the required approval of the US

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NEW YORK TIMES
18 MARCH 1981

PRESIDENT OPPOSES DOMESTIC C.I.A. ROLE

Reagan Counsel Rules Out Easing of Curbs on Agency Spying

By HEDRICK SMITH

Special to The New York Times

WASHINGTON, March 17 — Edwin Meese 3d, counselor to President Reagan, said today that the White House was "absolutely opposed" to any change in intelligence regulations that would permit the Central Intelligence Agency to conduct domestic spying.

"I don't contemplate any change. . . . The White House is absolutely opposed to the C.I.A. getting into domestic spying," he told reporters.

Mr. Meese characterized as "a tempest in a teapot" recent reports that some intelligence officials had drafted a new Presidential order that would lift restraints imposed by President Carter against the agency's use of informers and surveillance and search techniques against Americans in this country. The "tempest" was touched off, Mr. Meese said he suspected, by "leaks from people opposed to any changes" in intelligence regulations.

He confirmed that within two or three weeks the Administration hoped to come up with a revised Presidential order on intelligence activities that would "im-

prove our ability to gain intelligence especially in combatting terrorism.

Mr. Meese declined to go into detail explaining that various proposals were now circulating within the Administration. But he said that there would be "change in roles" that now cast the C.I.A. as the nation's primary agency for foreign intelligence and leave domestic intelligence responsibility mainly to the Federal Bureau of Investigation.

His comments were reinforced by Congressional testimony from Attorney General William French Smith, who said he shared the concern of several senators about potential changes and who indicated that he would not willingly relinquish his powers to monitor the legality of intelligence operations.

Mr. Meese explained that proposals for changing Executive Order 12036, issued by President Carter on Jan. 24, 1978, to set out a basic framework for intelligence activities, had arisen in the Administration's "routine" review of American "counterterrorism capabilities." The issue was discussed at one National Security Council meeting and other Administration meetings, he said.

After the first sessions in late January, other officials said, some intelligence officials drafted a substitute executive order that would empower the C.I.A. and other intelligence agencies to use searches, physical surveillance and infiltration of domestic organizations to gather information on Americans in this country and abroad. The draft order would downgrade the role of the Attorney General in scrutinizing activities from the standpoint of legal protections of civil liberties and privacy rights.

Since The New York Times disclosed the basic terms of the draft order, high Administration officials have moved to alleviate concerns of civil libertarians. Adm. Bobby R. Inman, Deputy Director of Central Intelligence, said he was doing

play a very significant role in this whole area. I would certainly anticipate the Attorney General would continue to play a substantial role in the process."

Weicker Expresses Concern

Senator Lowell P. Weicker Jr., the Connecticut Republican who heads the Senate Appropriations Subcommittee on the Departments of Commerce, Justice and State, said today that he was very concerned about proposals in the draft order.

"I have similar concerns," Mr. Smith responded. He predicted that the final version would be different from the draft.

On another topic, Mr. Meese told reporters that within about a week the White House would be ready to announce selection of 15 inspectors general to lead the fight against fraud and waste in the major Government agencies. Several of the inspectors, he said, would be holdovers from the Carter Administration, all of whom were technically dismissed by the Reagan Administration in its first week.

Mr. Meese also denied that the Administration was switching its aggressive public relations campaign on United States' aid to El Salvador and was now trying to play it down, although he did suggest that developments had calmed and that the El Salvador situation was now "less of a story."

Top White House officials are known to have been concerned in the belief that Secretary of State Alexander M. Haig Jr. was carrying the publicity on the El Salvador situation too far, running the risk that it would detract from public focus on the President's economic program.

Last Thursday, a high State Department official told reporters in a background briefing that "our impression is that this story is running about five times as big as it really is." Referring to the 54 American advisers sent to that country, he remarked: "Judging by the press coverage of this, I would have thought we had deployed a whole division."

Although normally such briefings are arranged with concurrence of the Secretary of State or his spokesman, Mr. Haig partly rebutted the remarks of the official, whom he identified as John A. Bushnell, Acting Assistant Secretary of State for Latin American Affairs. "I wouldn't suggest that it's not that big a deal," Mr. Haig said.

Yesterday, the White House press secretary, James S. Brady, further disavowed Mr. Bushnell's comments. "I think he was speaking for himself," Mr. Brady said.

The CIA at Home

IT WAS DISQUIETING to learn the other day that a CIA-led task force has proposed removing many current restraints on collecting information on Americans—on Americans, moreover, neither accused nor suspected of committing any crime. But the disclosure, in a leak, did seem to have a positive effect. The agency's deputy director, Adm. Bobby Ray Inman, promptly held a press conference and disavowed key elements of the draft proposal. He then reaffirmed his opposition before the Senate Intelligence Committee, reassuring the oversight group that "the job of the CIA is abroad" and describing the leaked report as merely a "third-level working staff paper."

Whatever its "level," the draft appears to have originated among political and intelligence circles either unfamiliar or unhappy with the process of executive-congressional-agency consultation by which intelligence guidelines have been fashioned through the Ford and Carter years. Adm. Inman has been a valuable participant in that process, and that is presumably why he reacted to the leak as he did. He is well placed to tell whether there is any merit to the complaints, amounting to an article of faith in some conservative quarters, that an excessive concern for the niceties of civil liberties has shackled the nation's intelligence services.

In fact, most Americans do appear to agree that the intelligence agencies should be strengthened. The relevant question is how. The leaked proposal represents an unfounded claim to set the CIA up in the field of domestic counterintelligence. It raises the specter of the 1980s' anti-terrorist equivalent of "Operation Chaos," the CIA's justly criticized compilation of files on 300,000 allegedly anti-war persons and organizations during the Vietnam War. Only recently, furthermore, FBI Director William Webster assured Congress that his agency did not need to have the existing FBI guidelines relaxed in order to deal effectively with terrorists and foreign agents in this country.

CIA professionals do have an interest in continuing their collective recovery from years of past scandals, personnel upheavals and altered mandates. But surely the CIA has more important work than heading back in the direction of "Operation Chaos." CIA counterintelligence and anti-terrorist operations abroad need to be strengthened, and collection and analysis procedures need to be improved to provide more reliable intelligence to the president and his chief foreign policy advisers.

Fortunately, Adm. Inman left no doubt of his resistance, and of the resistance of CIA Director William J. Casey, to the proposals in the staff paper. The admiral had no hesitation in arguing that certain constraints governing the actions of intelligence agents in this field might have to be reviewed in order to deal with specific terrorist threats. But he put the CIA's "old boys," and others so minded, on notice that he does not support an attempt to restore the good old days of widespread surveillance, surreptitious entries, infiltration of suspected organizations and other covert operations—at least *not* in the United States. He thought it would not be "likely" that the final draft of any new executive order governing CIA behavior would sanction such practices.

The admiral displayed admirable and, one hopes, contagious sensitivity to civil liberties concerns. At the same time, he complained that the draft report had been leaked by someone from the "cottage industry" of intelligence agency oversight that has "grown up" in Congress and in the Justice Department. One can understand how an intelligence official might feel about leaks. Yet Adm. Inman and other thoughtful professionals have reason to know that in recent years they have often been better served by "cottage industry" overseers than by some of the CIA's own complacent and nostalgic hands. The wish-list draft that circulated last week suggests that some people have not properly absorbed the experience of the past decade.

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14 March 1981

CIA's Deputy Assure He Does Not Favor Sp

By George Lardner Jr.
Washington Post Staff Writer

CIA Deputy Director Bobby Inman reportedly assured the Senate Intelligence Committee at a closed session yesterday that "the job of the CIA is abroad."

The admiral, an intelligence professional appointed to the CIA's No. 2 post last month, briefed the senators after disclosures about a draft executive order that would authorize the agency to spy on American citizens and conduct covert operations in this country.

According to Sen. Daniel Patrick Moynihan (D-N.Y.), Inman told the committee he did not favor such sweeping changes.

Inman described the leaked document as a "third-level working-staff paper," Moynihan told reporters. Inman also promised the committee that any final proposal for changes in rules governing U.S. intelligence agencies will be sent to the committee for its advice before President Reagan is asked to sign it.

"He [Inman] made clear his judgment, and I share it firmly, that the job of the CIA is abroad," Moynihan said. "The CIA has no business involving itself in domestic operations, much less those directed against American citizens."

The CIA has been prohibited by law since inception from assuming any "internal security functions," but disclosure of extensive domestic spy work and other abuses in the mid-1970s led to President Carter's 1978 executive order prescribing detailed restrictions on intelligence activities involving American citizens and corporations.

The Carter order is being revised as the result of a White House meeting in late January at which Reagan and White House counselor Edwin Meese III reportedly expressed concern about the ability of U.S. intelligence to cope with the dangers of terrorism.

The first draft by an interagency working group would abandon the

Carter administration standard of intelligence-gathering by "the least intrusive means possible" and eliminate the attorney general's veto power over operations involving surreptitious break-ins and other controversial techniques.

The draft also would permit the CIA to infiltrate and influence activities of domestic organizations with foreign connections.

In a 10-page analysis of the order, Jerry Berman, legislative counsel of the American Civil Liberties Union, said the draft would allow resurrection of such activities as Operation Chaos. In that, the CIA collected files on about 300,000 individuals and organizations in pursuit of suspicions about the antiwar movement.

The draft order, "if promulgated in anywhere near its current form, would seriously jeopardize the civil liberties of law-abiding citizens, political organizations and business entities," Berman warned.

Calling some of the suggested changes "off the wall," Moynihan said he would be more concerned if he thought either CIA Director William J. Casey or Inman favored them. Moynihan said he has seen no sign of that.

"I would be against any change" that reactivates the CIA as an internal agency of government, dealing with American citizens in this country, Moynihan said. "And I hope the president would be."

The draft also has drawn fire from Rep. Don Edwards (D-Calif.), chairman of the House Judiciary subcommittee in charge of the FBI, and muted criticism from some FBI sources who feel it constitutes unwarranted criticism of the way the bureau has been dealing with the threat of terrorism.

changes that explicitly put the CIA back into domestic spying and that sanction covert operations have been put on the back burner by all the publicity. The same sources suggested that downgrading the attorney general's role is still alive.

Under the Carter administration order, the attorney general must review all intrusive activities against U.S. persons to ascertain a probable cause to believe the target is an agent of a foreign power and that "the least intrusive means possible" are being employed.

The draft order would allow heads of intelligence agencies to employ controversial techniques, such as break-ins, under much more permissive standards. According to Berman, the proposal "all but abolishes the Justice Department review function."

"Thus, the draft order would allow an agency like the CIA to operate more extensively in the United States... under rules of its own devising," he protested.

One source said the proposed executive order is actually in its third draft form now, in contrast to the first draft that became public. It is expected to be ready for discussions with the Senate and House Intelligence committees about the end of the month.

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LOS ANGELES TIMES
14 MARCH 1981

CIA Job Is Abroad, Agency Deputy Says

WASHINGTON (AP)—The deputy director of the CIA, seeking to defuse a controversy over domestic spying, told the Senate Intelligence Committee Friday that he believes the CIA should limit its work to other countries.

Navy Adm. Bobby R. Inman was called before a closed meeting of the committee and questioned for two hours about a proposed presidential order expanding CIA authority to include surveillance of American citizens.

Afterward, Sen. Daniel Patrick Moynihan of New York, the senior Democrat on the committee, said Inman "made clear his judgment . . . that the job of the CIA is abroad."

A Great Mistake

"Anything which reactivates the CIA as an internal agency of our government dealing with U.S. citizens in the United States would be a great mistake," Moynihan said.

Neither Inman nor the committee chairman, Sen. Barry Goldwater (R-Ariz.), would comment after the meeting with nine members of the panel plus Sen. Jeremiah Denton (R-Ala.), chairman of a new Senate Judiciary subcommittee on terrorism.

But Moynihan quoted Inman as saying "no decisions have been made" on an expanded role for the CIA.

Middle-Level Draft

The draft order was described by Moynihan as having been prepared by middle-level CIA, FBI, Defense Department and National Security Agency officials seeking new ways to combat terrorism.

It would permit the CIA or FBI to use break-ins, surveillance or infiltration to keep track of American citizens or companies, no matter whether they were suspected of illegal activities. The agency also would be permitted to influence the activities of some domestic organizations that have foreign ties. And the attorney general would lose his authority to heads of intelligence agencies to approve such activities.

The draft order would revise or replace a 1973 directive that President Jimmy Carter issued in response to widespread abuses by the CIA in the 1950s and 1960s.

Moynihan said the new document is not a proposed executive order as described in most news accounts. Instead, he said, it is a list of possible changes, none of which has been agreed to by senior officials of any government agency, including CIA Director William J. Casey, who has yet to see the document.

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THE WASHINGTON POST
14 March 1981

CIA's Deputy Assures Senators He Does Not Favor Spying in U.S.

By George Lardner Jr.
Washington Post Staff Writer

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According to Sen. Daniel Patrick Moynihan (D-N.Y.), Inman told the committee he did not favor such sweeping changes.

Inman described the leaked document as a "third-level working-staff paper," Moynihan told reporters. Inman also promised the committee that any final proposal for changes in rules governing U.S. intelligence agencies will be sent to the committee for its advice before President Reagan is asked to sign it.

"He [Inman] made clear his judgment, and I share it firmly, that the job of the CIA is abroad," Moynihan said. "The CIA has no business involving itself in domestic operations, much less those directed against American citizens."

The CIA has been prohibited by law since inception from assuming any "internal security functions," but disclosure of extensive domestic spy work and other abuses in the mid-1970s led to President Carter's 1978 executive order prescribing detailed restrictions on intelligence activities involving American citizens and corporations.

The Carter order is being revised as the result of a White House meeting in late January at which Reagan and White House counselor Edwin Meese III reportedly expressed concern about the ability of U.S. intelligence to cope with the dangers of terrorism.

The first step in the revision, working group, would abandon the

Carter administration standard of intelligence-gathering by "the least intrusive means possible" and eliminate the attorney general's veto power over operations involving surreptitious break-ins and other controversial techniques.

The draft also would permit the CIA to infiltrate and influence activities of domestic organizations with foreign connections.

In a 10-page analysis of the order, Jerry Berman, legislative counsel of the American Civil Liberties Union, said the draft would allow resurrection of such activities as Operation Chaos. In that, the CIA collected files on about 300,000 individuals and organizations in pursuit of suspicions about the antiwar movement.

The draft order, "if promulgated in anywhere near its current form, would seriously jeopardize the civil liberties of law-abiding citizens, political organizations and business entities," Berman warned.

Calling some of the suggested changes "off the wall," Moynihan said he would be more concerned if he thought either CIA Director William J. Casey or Inman favored them. Moynihan said he has seen no sign of that.

"I would be against any change" that reactivates the CIA as an internal agency of government, dealing with American citizens in this country, Moynihan said. "And I hope the president would be."

The draft also has drawn fire from Rep. Don Edwards (D-Calif.), chairman of the House Judiciary subcommittee in charge of the FBI, and muted criticism from some FBI sources who feel it constitutes unwarranted criticism of the way the bureau has been dealing with the threat of terrorism.

According to several sources, the changes that explicitly put the CIA back into domestic spying and that sanction covert operations have been put on the back burner by all the publicity. The same sources suggested that downgrading the attorney general's role is still alive.

Under the Carter administration order, the attorney general must review all intrusive activities against U.S. persons to ascertain a probable cause to believe the target is an agent of a foreign power and that "the least intrusive means possible" are being employed.

The draft order would allow heads of intelligence agencies to employ controversial techniques, such as break-ins, under much more permissive standards. According to Berman, the proposal "all but abolishes the Justice Department review function."

"Thus, the draft order would allow an agency like the CIA to operate more extensively in the United States... under rules of its own devising," he protested.

One source said the proposed executive order is actually in its third draft form now, in contrast to the first draft that became public. It is expected to be ready for discussions with the Senate and House Intelligence committees about the end of the month.

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ASSOCIATED PRESS

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APM-CIA-DOMESTIC SPYING: 8JT:550

OPPOSITION MOUNTS TO RENEWING CIA DOMESTIC SPY

EDS: CLOSED BRIEFING BEGINS 10 A.M. EST; TOP P

BY MICHAEL J. SNIFFEN

ASSOCIATED PRESS WRITER

WASHINGTON (AP) - DOUBTS ARE MOUNTING EVEN WITH WISDOM OF A DRAFT PRESIDENTIAL ORDER BY A REAGAN ADMINISTRATION TASK FORCE TO ALLOW THE AGENCY BROAD NEW POWER TO SPY INSIDE THE UNITED STATES.

NEWS LEAKS OF THE DRAFT ORDER EARLIER THIS WEEK PROMPTED ADMINISTRATION OFFICIALS TO TAKE EXTRAORDINARY STEPS TO STRESS THAT THE REVIEW OF EXISTING RULES FOR U.S. INTELLIGENCE AGENCIES HAD JUST BEGUN AND THAT MONTHS OF DEBATE WERE EXPECTED BEFORE ANY PROPOSALS WERE SENT TO PRESIDENT REAGAN.

THE CIA WAS SCHEDULED TO PROVIDE A CLOSED BRIEFING ON THE DRAFT ORDER TODAY FOR THE SENATE INTELLIGENCE COMMITTEE.

SINCE THE LEAK, DEPUTY CIA DIRECTOR BOBBY R. INMAN HAS SAID HE WAS FIGHTING TO BLOCK "A SERIES OF REPUGNANT CHANGES" THAT MIGHT FORCE HIM TO RESIGN. ATTORNEY GENERAL WILLIAM FRENCH SMITH CAME OUT AGAINST ONE PROVISION IN THE DRAFT. TWO DEMOCRATIC CONGRESSMEN AND A FORMER CARTER ADMINISTRATION OFFICIAL EXPRESSED ALARM. AND THE AMERICAN CIVIL LIBERTIES UNION SAID APPROVAL OF THE DRAFT "WOULD SERIOUSLY JEOPARDIZE THE CIVIL LIBERTIES OF LAW-ABIDING CITIZENS, POLITICAL ORGANIZATIONS AND BUSINESS ENTITIES."

ON THURSDAY, A TOP CIA OFFICIAL, WHO DECLINED TO LET HIS NAME BE USED, SAID: "EVERYONE IS GOING BACK TO THE DRAWING BOARDS."

THE DRAFT ORDER, A COPY OF WHICH WAS OBTAINED BY THE ASSOCIATED PRESS, WOULD ALLOW THE CIA TO USE BREAK-INS, PHYSICAL SURVEILLANCE AND INFILTRATION TO OBTAIN INFORMATION FROM U.S. RESIDENTS AND CORPORATIONS EVEN IF THEY WERE NOT SUSPECTED OF CRIMES OR OF BEING FOREIGN AGENTS.

THE CIA ALSO WOULD BE ALLOWED TO TRY TO SECRETLY AFFECT THE ACTIVITIES OF SOME DOMESTIC GROUPS WITH FOREIGN TIES. AND THE CHIEFS OF VARIOUS INTELLIGENCE AGENCIES RATHER THAN THE ATTORNEY GENERAL WOULD BE EMPOWERED TO APPROVE SUCH TACTICS.

THE DRAFT ORDER, WHICH WOULD REVISE ONE ISSUED BY PRESIDENT CARTER IN JANUARY 1978, WAS PREPARED BY A TASK FORCE HEADED BY CIA GENERAL

PAGE 1 of 2

'A Bunch of [Bad] Ideas'

According to reports from Washington, some officials of the Central Intelligence Agency want to be able to resume spying in the United States, and they want to be able to initiate such activities in a more or less routine way, without approval by the attorney general. CIA counsel Daniel B. Silver says these and other proposals are just that, proposals, "talking papers, a bunch of ideas." CIA Deputy Director Admiral Bobby R. Inman, says that neither he nor CIA Director William J. Casey approves such proposals.

Well, we certainly hope not. These are bad ideas. It was just the sort of loose rein that such proposals envision that allowed the many abuses of constitutional rights of American citizens by the CIA in the late 1960s and early 1970s. During that period, CIA agents illegally spied on and infiltrated political organizations. And, of course, it was an unrestrained CIA that conducted secret drug experiments on Americans, one of which proved fatal.

A special presidential commission headed by then-Vice President Rockefeller (with Ronald Reagan as a member), as well as a special Senate committee, concluded that unacceptable abuses of power had occurred and recommended that the agency be brought under closer control. Both panels agreed that secret intelligence operations without high-level oversight are almost certain to go too far. "The momentum of the operation carried it beyond the instructions," is the way the Rockefeller Commission put it in its final report

about domestic spying by the CIA.

President Ford put into effect some restraints; President Carter, working very closely with the newly-created permanent Senate Select Committee on Intelligence, issued a new executive order that was even more restrictive. As a consequence, we believe, Americans have more confidence in the CIA (and the FBI, which has been also operating under new restraints since the Ford administration). It would be dangerous to reverse this trend, as we hope Senator Harry Goldwater's select committee makes clear to Reagan administration officials at a meeting today.

We can understand why President Reagan wants to issue his own executive order, now that he is charged with executive authority over the CIA and the rest of the intelligence community. We can't understand why some of his aides believe that there is a crisis of terrorism in the United States that requires the unleashing of the CIA. We also can't understand why presidents, members of Congress and, especially, career intelligence professionals want to continue down an uncertain road on which directions and instructions are changed every time a new president comes in.

What is needed is a charter for the CIA, the FBI and other intelligence agencies that spells out their missions and the restraints on their behavior in clear statutory language—language meant to endure, language that cannot be changed by the stroke of a presidential pen.

ARTICLE APPROVED
ON PAGE A-17

NEW YORK TIMES
12 MARCH 1981

C.I.A. AIDE CLARIFIES STAND ON RESTRAINT

Inman Says He is Fighting to Bar
'Repugnant Changes' Urged
in Curbs on Intelligence

By CHARLES MOHR
Special to The New York Times

WASHINGTON, March 11 — Adm. Bobby R. Inman, the Deputy Director of Central Intelligence, says he is doing his utmost to prevent a "series of repugnant changes" in legal and administrative restraints on the activities of the intelligence agencies and suggests he might resign if such changes were adopted.

Admiral Inman, newly confirmed in his post, made these remarks in a telephone conversation last evening following an unusual press conference earlier in the day at which he denied in somewhat less forceful terms that proposals to relax restrictions on domestic spying by the Central Intelligence Agency had his approval.

His remarks on both occasions seemed to throw into clearer focus a new debate over whether it is necessary or desirable to relieve the nation's intelligence agencies of restrictions imposed on them since Congressional investigations of abuses in the mid-1970's.

The admiral said that he believed some changes were desirable and would be made because of an apparent increase in the danger of international terrorism.

Sweeping Changes Opposed

However, he made it clear that he personally opposed sweeping relaxations of current restrictions sought by some strongly conservative forces in Congress and the executive branch.

His comments were prompted by an article published yesterday in The New York Times saying that newly appointed intelligence officials were seeking increased authority to spy on Americans at home and abroad.

At the press conference yesterday, the admiral repeatedly stressed that he had not personally endorsed a request for such greater authority.

When he was asked to clarify some of those remarks, Admiral Inman said in the telephone conversation: "I'm doing my damndest to keep this train from running off into one where we do end up with a series of repugnant changes for which I would not stay in this Administration."

He added that the news article suggesting that the top leadership of the agency was asking for such changes "is likely to harden the line of a lot of conservative people before they ever really get around to knowing what the facts are."

"And that's not an idle problem," Admiral Inman added. "It's a potential danger."

William H. Webster, Director of the Federal Bureau of Investigation, has testified that he does not see the need for any sweeping relaxation of guidelines on bureau counterintelligence work imposed by former Attorney General Edward H. Levi. Admiral Inman now seems to be in general agreement. Several Republican Senators have recently said that they believe restrictions meant to protect civil liberties should be relaxed because they tend to hamper the intelligence agencies' investigative ability.

Arena of the Debate

In the debate over how much or how little to regulate the work of intelligence agencies, the most important battleground may be administrative procedures promulgated by the executive branch and not Congressional legislation, which recently has been blurred by stalemate or compromises.

In January 1978, President Carter signed Presidential Executive Order 12036, which, in the continuing absence of a legislative "charter," is the central document governing intelligence work. There has never been any doubt, expert sources said, that President Reagan would replace Mr. Carter's order with one of his own.

Admiral Inman said yesterday at an unusual on-the-record press briefing at the C.I.A. headquarters that, "the new Administration has read a great deal in the years out of office about the state of U.S. intelligence and particularly questions about our current abilities in regard to dealing with terrorism and the whole area of counterintelligence."

He added that the Reagan White House had asked the various intelligence agencies to answer the question of whether legal restrictions on domestic spying and "very intrusive" investigative techniques and diminish the agencies' capability.

The answer to that, he said, is "certainly."

Draft of New Order

The admiral acknowledged that a "working group" of officials from various intelligence agencies, had produced a partial "first draft" of a new executive order that would relax current restrictions on searches, surveillance and infiltration by informers directed at Americans.

Although some of Admiral Inman's remarks seemed open to differing interpretation, he clearly seemed to be expressing a hope that what he called the "political levels" would use prudence and restraint in relaxing current restrictions. Decisions, he said, would involve, "change versus risk versus gain."

At another point, he said that ultimately the question was to balance legal protections against the cost of giving up "a little intelligence" and said there should be "a very clear understanding of what the gain is you will get for the change you are going to make."

Admiral Inman said in the news briefing that eventually some new measures would probably be necessary to control the threat of terrorism and that these could be acceptable to "the body politic" if it was understood "those measures are directly related to that and not to spying on the public."

ARTICLE 1
OF PAGE 7

THE BOSTON GLOBE
12 MARCH 1981

CIA denies seeking spy role in US

United Press International

WASHINGTON — The deputy director of the Central Intelligence Agency vigorously shook his head to deny the CIA leadership was seeking new authority to spy on Americans in the United States.

Adm. Bobby Ray Inman called a

rare on-the-record briefing at the CIA's forest-enclosed headquarters in Northern Virginia Tuesday to rebut published reports he and CIA Director William Casey wanted a broader domestic role for the intelligence agency.

"Neither of us have asked for

any of those things," Inman said. "It is sort of a bum rap."

Inman's denial was echoed by Attorney General William French Smith who said yesterday the administration is reviewing restrictions on the CIA imposed by the

Carter administration, but denied a "draft order" has been issued.

"The existing (Carter) order is being reviewed. There has been no decision, no conclusion. The matter is now under consideration at a very early stage," Smith testified before the House Judiciary Committee during a hearing on budget proposals for his agency.

The Washington Post said it obtained a draft of a proposed executive order that would give the CIA authority to conduct covert operations in the United States, including "intrusive" practices. The newspaper said CIA officials would not confirm or deny the authenticity of the 16-page, typewritten order.

After congressional committees and a presidential commission documented numerous CIA abuses over the years, President Carter imposed greater restrictions on its surveillance, searches and other intelligence-gathering activities.

But the new administration is focusing on fighting international terrorism and President Reagan during the campaign advocated releasing the CIA from some of those restrictions.

Domestic spy proposals: A chill wind is blowing

Is the CIA preparing a new domestic assault on the civil liberties of dissidents? News reports indicate that the Reagan administration is considering rewriting the executive order signed in 1977 by President Carter limiting domestic intelligence activities, but Adm. Bobby R. Inman, the agency's deputy director, says it is not.

In a public briefing, Adm. Inman denied that the CIA was seeking new authority to engage in domestic spying, saying the agency was only responding to a Reagan administration request for information on how present curbs affected its work. CIA general counsel Daniel B. Silver went even further, saying that nothing that could properly be labeled a "draft" of an executive order even existed.

But it appears that the CIA is doing much more than responding to a request for information. A 16-page document that very much resembles a draft of an executive order has begun to circulate in the federal bureaucracy and the Congress, and copies of it have been obtained by several news organizations. Among its provisions, the document proposes:

- Eliminating the restrictions imposed by former President Carter on "intrusive" techniques, such as opening mail, physical surveillance and warrantless, surreptitious searches and break-ins at the homes or offices of intelligence targets in this country.

- Removing rules prohibiting the CIA from engaging in electronic surveillance in the United States. Currently, only the FBI legally can carry out such operations, and then only with the attorney general's direct approval.

- Authorizing the infiltration of

domestic groups to influence or alter their activities.

- Weakening the requirement that the CIA report evidence of violations of the law to the attorney general.

- Broadening surveillance permitted by an agency investigating the "unauthorized disclosure" of intelligence information, a change that could allow reporters and news agencies to become targets of investigation.

Adm. Inman says he is only responding to an administration request, but his behavior suggests otherwise. He asserts that changes in the intelligence community's mandate are needed because of the spread of world terrorism, but the growth of terrorism is no justification for a sweeping grant of power to commit acts which, perpetrated by law-enforcement agencies, would be roundly condemned as violations of the rights enshrined in the Constitution.

Moreover, the intelligence community's record speaks out strongly against changing the rules. One has only to remember the rampant abuses of federal police power by the FBI and CIA that were disclosed during the mid-1970s congressional inquiries into the investigation and infiltration of dissident political and civil rights groups of the last two decades to see that the current non-draft draft is a bad one.

Considered in the best possible light, domestic spying is a necessary evil under certain circumstances. The controls imposed by prior administrations are prudent and they were put there to curb abuses and protect basic constitutional rights. They should not be removed.

STATINTL

New rules studied for CIA spies Fewer barriers to U.S. operations

By Barry Schweid
Associated Press

LANGLEY, Va. — A top official of the CIA said yesterday that a "changing world" had prompted the Reagan administration to explore whether to rescind some limits to CIA spying in the United States.

The administration has started an intensive study of legal and other barriers to intelligence operations to see if some can be removed by the summer in order to combat terrorism, deputy CIA director Bobby R. Inman said at a rare public briefing at CIA headquarters.

The survey is known to include consideration of expanding authority for the CIA to use break-ins, physical surveillance and covert infiltration of American groups and businesses.

However, Inman said, "there hasn't even been the slightest hint, from anyone, of using a covert action capability in a domestic situation."

Sources said that the new intelligence proposal is designed not only to curb terrorism but also to improve leak investigations and the CIA's ability to evaluate foreign economic developments.

In the briefing, the first in more than a decade, Inman said terrorist activities required a re-examination of the inhibitions on intelligence-gathering in the United States. He said terrorist activities had increased since January 1978, when President Jimmy Carter signed an executive order limiting the CIA's ability to conduct domestic investigations.

Inman predicted that President Reagan would be asked to relax those restrictions and that Reagan would agree.

Sen. Barry Goldwater, chairman of the Senate Intelligence Committee, said the proposed revisions were under study and that the CIA would brief members of his panel on Friday.

(The suggestions reportedly were developed without consultation with the Senate or House intelligence committees. The Justice Department, which has had control of such policies, was not advised of the proposals until late last week, sources said.)

Sources said that included among the changes would be a sharp reduction in the attorney general's authority over intelligence activities and renewed authority for the CIA, including — despite Inman's comments at the briefing — the power to infiltrate domestic organizations.

Under current rules, only the FBI is authorized to put Americans under physical surveillance in order to find the sources of leaks, and only that agency can infiltrate American groups and companies to gather foreign intelligence or influence their activities. The FBI also can conduct break-ins against individuals or corporations, with the specific approval of the attorney general.

Sources said that the CIA also would be authorized to use such practices under the proposed changes.

While stressing that no recommendations are final and that none had yet been sent to the White House, Inman said, "We are likely to see some revision of the executive order and some restrictions which now exist. And I believe that is likely to come about because of a changed world, because four years ago terrorism was not a topic of great concern to us."

ARTICLE APPENDIX
ON PAGE A-13

NEW YORK TIMES
11 MARCH 1981

C.I.A. Deputy Denies Seeking Chan

By CHARLES MOHR
Special to The New York Times

WASHINGTON, March 10 — The Deputy Director of Central Intelligence this afternoon denied suggestions that the top leadership of the intelligence community had asked the White House for increased authority to spy on Americans at home and abroad.

Adm. Bobby R. Inman, the Deputy Director, objected to the language of an article in The New York Times this morning saying that "newly appointed intelligence officials" were asking for "re-

newed authority to gather information on Americans with such techniques as searches, physical surveillance and the infiltration of domestic organizations.

However, in the interview and in subsequent telephone call Admiral Inman did agree that such proposals were embodied in what he called a "first draft" by a "working group" of intelligence agency officials studying the effect of existing legal and administrative restrictions on intelligence work.

Admiral Inman repeatedly stressed that he had not personally endorsed a re-

Intelligence, issued a statement saying his committee had "received proposed revisions to the executive order governing intelligence activities" and that the committee "will be briefed by the C.I.A. Friday on the proposed revisions."

The committee's press spokesman and Admiral Inman subsequently made clear that the "proposed revisions" constituted the "first draft" by the working group, which was headed by the intelligence agency's general counsel, Daniel B. Silver, and that it had been given to the committee at the committee's request after the Times article appeared.

Admiral Inman reiterated firmly that the top executives of the agency were not formally asking for the same revisions in regulations discussed in the Silver draft.

In a reference to the Director of Central Intelligence, William J. Casey, and himself, Admiral Inman said: "The only newly appointed intelligence officials in the Reagan Administration are Bill Casey and Bob Inman and neither of us has asked for any of these things."

The Times, the American Civil Liberties Union and some officials in the Government had obtained copies of a draft of an executive order entitled "Standards for the Conduct of United States Intelligence Activities" containing the changes outlined in the Times article. These revisions would apply to Executive Order 12036, signed by President Carter three years ago. The Senator's formal statement said that "study of proposal is under way with a view to future discussions with the executive branch on this subject."

Semantic questions were involved in Admiral Inman's news briefing and discussions of the subject. Admiral Inman several times stressed that the intelligence community, comprising the C.I.A. and other intelligence agencies, had not asked the Reagan Administration for expanded authority.

Instead, Admiral Inman said, the Reagan Administration had asked the intelligence agencies "to do an assessment of the impact of current restrictions" and to say whether existing laws, executive orders, or practices "inhibit the effectiveness of the intelligence agencies, particularly in dealing with the problems of terrorism and counterintelligence."

WASHINGTON POST
11 March 1981

Reagan to Ease Curb On Domestic Spying, CIA Official Confirms

By George Lardner Jr.
Washington Post Staff Writer

The Central Intelligence Agency's deputy director confirmed yesterday that some of the restrictions imposed on spying and counterespionage in the United States will be lifted in a new executive order by President Reagan later this year.

Speaking out at a rare on-the-record briefing at CIA headquarters, Adm. Bobby Ray Inman maintained that the scope of the changes had been vastly exaggerated in publicity about a set of preliminary proposals.

A draft of a proposed executive order, obtained by The Washington Post, would give the CIA authority to conduct covert operations in this country and to resume other "intrusive" practices, such as surreptitious entry, that were put off-limits following the disclosure of abuses in the mid-1970s.

Inman predicted that the final executive order would contain nothing that would give the agency power to carry out covert operations in the United States.

"To the best of my knowledge," he said, "there is no intent to proceed anywhere down that line." He said suggestions in news stories Tuesday morning were simply a first-blush recitation of ideas on how to deal more effectively with terrorism and foreign espionage in this country.

Inman said he is confident that political realities and concern for the rule of law would squelch many of the initial suggestions in the lengthy discussions that must be held before Reagan issues a new order.

"I think we clearly will have a revised executive order," Inman said. But he did not think it would be promulgated until late spring or early summer.

Clearly annoyed by Tuesday's leaks, Inman said he has no doubt that "all kinds of ideas" had been committed to paper, but he declared repeatedly that all such work was done in response to an explicit request from the White House in late January.

"The new administration has read a great deal in the years out of office about the state of U.S. intelligence and, particularly, questions about our current abilities in regard to dealing with terrorism and the whole area of counterintelligence," Inman told reporters. "Once they took office, they wanted to know what was the status of our capabilities on the questions of terrorism."

That, in turn, led to a White House request that all of the intelligence agencies make "an assessment of the impact of current restrictions" and what they thought might be achieved "if you did not have these restrictions," he said.

The results thus far, collected by a working group headed by CIA general counsel Daniel B. Silver, are far from the final product, Inman declared. He said he felt that Tuesday's initial news stories constituted "a bum rap" insofar as they implied that either he or CIA Director William J. Casey is actively seeking such changes.

Throughout the session, Inman sought to avoid direct discussion of preliminary suggestions committed to paper. Silver had declared earlier that nothing one could properly label a draft executive order even existed.

A copy of a typewritten, 16-page "Executive Order" — outlining far-reaching changes, at least on paper, from rules laid down by President Carter — was obtained later in the day.

That order would, as informed sources said Monday, eliminate the Carter administration standard of using the "least intrusive means possible" to collect intelligence information and sharply restrict the attorney general's authority to authorize "special techniques, such as opening mail,

The covert "planned" role of is not likely." "conduct" eliminate In, s executi rent ru engagir within conduc "any u this co legally against

CIA officials would neither confirm nor deny the authenticity of the 16-page document. CIA spokesman LaVon Strong said that in any case, it "doesn't negate what Inman is saying."

"The way you start commenting on those [existing] restrictions is you get out the old executive order and start rejiggering it," Strong said. "But there's a lot of people who are going to take potshots" at any proposed order before it can be adopted.

One complaint came immediately from the American Civil Liberties Union whose spokesman, Jerry Beriman, said the draft "sounds like a very serious alteration of their [the CIA's] authority and would place civil liberties in jeopardy."

On Capitol Hill, Sen. Barry Goldwater (R-Ariz.) said his Senate Intelligence Committee had asked for a draft received from the CIA last week. "draft proposed revisions to the executive order" Carter issued in 1978.

"A study of the proposals is underway with a view toward future discussions with the executive branch," Goldwater said in a brief statement. He said the CIA would brief the Senate committee at an executive session Friday.

For his part, Inman said he did not regard the CIA's getting into the business of surreptitious searches and break-ins as "a likely outcome." He refused to speculate, however, on what changes were in store.

"I don't have a clue at this point as to what it's going to look like," he said. "And I don't think the public interest is served by the presumption that there are decisions or changes" in the verge of being made.

Inman said, however, that he regards the threat of terrorism as very real. He suggested that changes in the executive order are needed "because of the changing world we're dealing with."

LOS ANGELES TIMES
11 MARCH 1981

ARTICLE 11
OF PAGE 1

Reagan to Ease Curbs on CIA, Admiral Says

By ROBERT L. JACKSON
and RONALD J. OSTROW

Times Staff Writers

WASHINGTON — A top CIA official predicted Tuesday that President Reagan will issue a directive enabling federal agents to engage in counterintelligence activities in this country with fewer legal restrictions.

Admiral Bobby Ray Inman, CIA deputy director, said in making his prediction that he was not raising "the specter of a U.S. intelligence agency spying on its citizens."

Although Inman declined to say what restrictions would be eased, it was learned that a draft directive being circulated among officials in the CIA, the Justice Department and the National Security Agency would reduce the powers of the attorney general to act as an executive branch watchdog over U.S. intelligence agencies.

Jerry Berman, legislative counsel for the American Civil Liberties Union, took a dim view of the proposed changes. "If promulgated, they represent a significant and dangerous expansion of CIA authority to spy on innocent Americans and corporations in the United States," he said.

A government source, however, said: "The feeling within high levels of this Administration is that there

has been too much regulation (of the intelligence community)."

Referring to executive orders issued by former President Gerald R. Ford and Jimmy Carter, the source added: "The attorney general has become too involved with intelligence policy instead of restricting himself to matters of law. Everyone has the same goal here—making it possible for the intelligence community to do its work."

He said Atty. Gen. William French Smith "is sympathetic with these aims."

Restraints on Searches

Another authority, Kenneth C. Bass, who resigned last month as head of the Justice Department's Office of Intelligence Policy and Review, said one idea being discussed is relaxation of legal restraints that now prohibit CIA agents from conducting secret searches, break-ins and physical surveillances within the United States.

However, Inman told reporters Tuesday that while such an idea may have been discussed, "I don't see that as a likely outcome" in a new presidential directive, which Inman predicted would be issued this summer. "It automatically raises worries in the body politic," he said.

The draft executive order departed from the Carter order's prohibition of electronic surveillance by the CIA in the United States. It provided, instead, that "the CIA may engage in electronic surveillance activity within the United States only for the purpose of assisting, and in coordination with, another agency within the intelligence community authorized to conduct such electronic surveillance."

Request for Information

Inman said a number of proposals have been circulated because the Reagan White House earlier this year asked the CIA and other intelligence agencies "what restrictions now exist by law, by executive order and by practice which you believe impact on your ability to be as effective as you ought to be."

Inman said the White House wants to assess "our capabilities of dealing with the problems of terrorism and counterintelligence" in the United States and abroad.

By law, the FBI is charged with investigating terrorist and subversive groups within this country. The CIA has the same job overseas in connection with its broad mandate to gather foreign intelligence.

The most recent presidential directive governing actions of the intelligence community was issued by Carter in January, 1973. Executive Order 12035 retained safeguards issued by Ford to protect the privacy of American citizens. But Carter added that each agency must develop procedures and practices to be approved by the attorney general.

President's Powers

Under the Carter order, only the President could authorize general use of so-called intrusive techniques, and the attorney general was to approve each use only after finding probable cause to believe that the target of the technique was an agent of a foreign power.

Under the proposed order, however, the President is removed from the process, with general authority delegated to the attorney general. The attorney general, in turn, could delegate authority for techniques such as electronic surveillance without a warrant to the head of intelligence agencies.

The requirement that there be probable cause to believe the target is an agent of a foreign power would be eliminated.

According to Chairman Barry Goldwater (R-Ariz.), the Senate Intelligence Committee asked for and has received a copy of the proposed changes. CIA officials are scheduled to brief the committee on Friday.

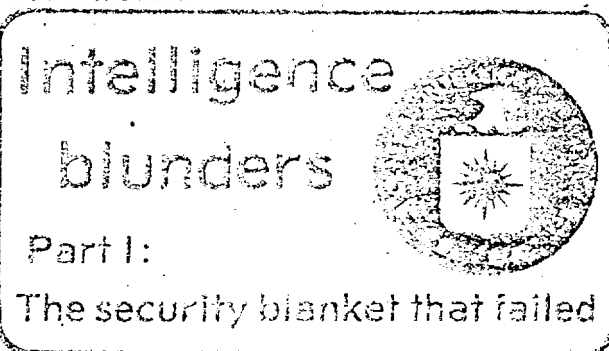
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ON PAGE 1.

NORWICH BULLETIN (CT)
8 March 1981

The CIA's blunders could

This three part Bulletin series on 30 years of CIA estimates of Soviet military capabilities reviews two decades of charges that since the early 1960s the CIA has systematically underestimated Soviet military spending, technical capabilities and weapons deployment.

Today's first installment, "The Security Blanket That Failed," explores the scope of the blunders as seen by a number of experts who have analyzed the reports during both Republican and Democratic Administrations.



By WILLIAM F. PARHAM
Bulletin Staff Writer

WASHINGTON — The U.S. government has wasted billions of dollars over the past two decades on inaccurate estimates and forecasts of Soviet military spending and capabilities, according to present and former U.S. intelligence and defense officials.

Ever since the Soviets encouraged the U.S. in the late 1950s to overestimate Soviet deployment and accuracy of intercontinental ballistic missiles (ICBMs) which led to the famous "missile gap", U.S. Presidents and Congresses have reached arms limits agreements with the Soviets and have determined U.S. defense investments on the basis of inaccurate intelligence about what the Soviets were spending on defense and what weapons they were planning to deploy, strategically as well as tactically, The Bulletin has learned.

The inaccurate intelligence has been the subject of often heated debate within the intelligence community since the mid-1960s, with some critics claiming they were forced out of the CIA for questioning the agency's figures. Recently, more ominous questions have been raised about possible explanations for the errors.

Was it simply the result of bureaucratic bungling or stubbornness on the part of those involved, some of the critics ask. Or was it the result of Soviet deception possibly including "raoles" or Soviet agents in high positions in the U.S. government?

Whatever the cause, it is beginning to dawn on Capitol Hill and throughout the new Administration that the money wasted on the poor estimates may be only the tip of a very unpleasant iceberg.

An even more significant cost of the U.S. intelligence community's persistently low estimates may be realized in the hundreds of billions of dollars the U.S. may decide to spend during the 1980s on extremely expensive crash programs, such as the MX missile, to prevent the Soviet Union from developing a third generation of Soviet intercontinental ballistic missiles (ICBMs), experts say.

If the crash catch-up programs fall over the next decade, says one analyst on Capitol Hill, the ultimate

cost of the mass could be "beyond West and the vic default, all at a ti of the Soviet sy: apparent."

Complicating e the Central Intel analysts and mi consistently low S producing them, a way they used to,

President Rea William J. Casey, deputy director, or CIA's analytical p mation hearings.

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— Current CI spending (61 to 66 the actual Soviet mates to be 108 rate for rubles in exactly what is b single accurate co

— CIA estima percentage of nati percent to 13 pe probably 18 perce

— CIA estimate purchasing as a pe machinery are too over 50 percent thi '60s and 35 percent

— The CIA est better, and unless estimating Soviet n

to be even further out in five years than it is now.

— The CIA was apparently caught unawares by the introduction, refinement or deployment quantity of at least 18 major new Soviet weapons systems and technologies.

Also, analysis of the annual Posture Statements of the various Secretaries of Defense against subsequent developments shows the CIA was caught by more rapid or extensive development or deployment than had expected of numerous systems and technologies, including:

— A large deployment of Soviet medium bombers in the late 1950s and early 1960s;

— A large deployment of medium/intermediate range ballistic missiles (M/IRBMs) in the same period;

— The deployment of a second generation of sub-launched ballistic missiles (SLRBMs), SS-N-3s, on the coast of Yankee-class subs in the mid-1960s;

— The deployment of multiple independently targetable reentry vehicle (MIRV) warheads on ICBMs;

The development of a third generation of Soviet intercontinental ballistic missiles (ICBMs), SS-X-31s,

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At the Pentagon And State Dept.: Pragmatic Tone

By PHILIP TAUBMAN

Special to The New York Times

WASHINGTON, March 1— Though he was often identified with doctrinaire positions on foreign policy as a candidate, Ronald Reagan as President has assembled a largely nonideological team of managers and career Government officials to direct foreign and defense policy in his Administration.

Drawn from large corporations, blue-chip law firms, universities, the military and the upper ranks of the Federal bureaucracy, the newly appointed policy makers, with some notable exceptions, appear to represent the mainstream of the Republican Party.

The relatively moderate cast of the Reagan team has produced irritation among many of the President's more conservative supporters. Led by Senator Jesse Helms, Republican of North Carolina, they have complained bitterly about Mr. Reagan's failure to staff his Administration with strong conservatives.

An Emphasis on Management

Others have faulted Mr. Reagan for failing to name long-range conceptual thinkers to key policy jobs. They argue that his Administration may suffer from a preponderance of officials experienced in carrying out but not in designing foreign policy.

The pragmatic managerial tone of the Administration's leadership was established by Mr. Reagan's appointees for the top four foreign and defense posts. Among foreign affairs specialists, none of them was considered a leading strategist or planner.

Secretary of State Alexander M. Haig Jr. was president of the United Technologies Corporation, commander of NATO and White House chief of staff during the final year of the Nixon Administration. The former general also worked as deputy to Henry A. Kissinger when Mr. Kissinger was the adviser on national security under President Nixon.

Caspar W. Weinberger, the Defense Secretary, had little foreign or defense experience before joining the Reagan Administration. He was vice president of the Bechtel Corporation when Mr. Reagan picked him. Earlier, he was secretary of Health, Education and Welfare, Director of the Office of Management and Budget,

chairman of the Federal Trade Commission and California's Director of Finance.

William J. Casey, the new Director of Central Intelligence, was a corporate lawyer in New York before becoming head of the Reagan campaign early last year. During the Nixon and Ford Administrations, he was chairman of the Securities and Exchange Commission, Under Secretary of State for Economic Affairs and president of the Export-Import Bank.

Haig Takes the Lead on Policy

Mr. Reagan's national security adviser, Richard V. Allen, is a longtime Reagan foreign policy aide. He is the author of several books on Communism, he worked as a White House adviser on international economics during the Nixon Administration and has been a business and trade consultant.

Mr. Haig has emerged as the leading foreign policy spokesman among the four and has taken the lead in policy formulation, according to senior Administration officials. Mr. Allen has maintained a low profile and appears content to help coordinate policy for the President rather than direct it.

Mr. Weinberger, aides said, is still learning about his department and consequently has been handicapped in asserting himself in policy deliberations. Mr. Casey, though close to Mr. Reagan, has been concentrating on intelligence matters and has not played a major role in policy formulation, according to White House aides.

Along with Mr. Haig, White House officials said that the key official shaping foreign policy is Edwin Meese 3d, counselor to the President and one of Mr. Reagan's closest aides. Mr. Meese's authority stems from his mandate to coordinate all Administration policy making and to act as chief policy spokesman.

Mr. Meese is a lawyer who acted as Mr. Reagan's chief of staff when he was Governor of California. He has no previous foreign policy experience.

Also holding Cabinet rank but not considered to be a key policy maker is the chief representative at the United Nations, Jeane J. Kirkpatrick. Mrs. Kirkpatrick, a Democrat, was professor of political science at Georgetown University and resident scholar at the American Enterprise Institute, an economic research and policy organization.

Mrs. Kirkpatrick, a Latin American specialist, has advocated greater tolerance by the United States toward "moderate autocrats friendly to American interests."

Working one or two levels below these senior officials are the under secretaries, assistant secretaries and deputy directors who receive less public attention but who command great influence over specific policies that fall within their areas of responsibility.

Continuation, has not been explained by the White House. A senior White House aide said there are "political problems."

These problems, White House officials said, involve but are not limited to objections by Senator Helms. The delay, they said, has been caused in part by an effort to balance Mr. Haig's desires with competing demands from Mr. Reagan's political advisers that campaign aides and loyal supporters be rewarded with senior Government jobs, including some at the State Department.

The No. 2 position at the State Department, Deputy Secretary, has been officially filled by the Administration's most visible newcomer to foreign affairs, William P. Clark, a former Supreme Court judge in California. He has been confirmed by the Senate.

Mr. Haig, according to aides, initially opposed the appointment of Mr. Clark, a longtime friend of Mr. Reagan's, but was overruled by the White House. At his confirmation hearings, Mr. Clark acknowledged that he was unfamiliar with most foreign policy issues.

Mr. Haig named a career diplomat, Walter J. Stoessel Jr., to be Under Secretary for Political Affairs. In a 39-year diplomatic career, Mr. Stoessel served as Ambassador to the Soviet Union, West Germany and Poland. Fluent in Russian with three tours in Moscow, he will probably also act as the department's chief Soviet expert.

The Under Secretary for Economic Affairs is Myer Rashish, an economist and consultant who worked for President Kennedy as assistant for international trade and who more recently was a consultant to the Congressional Joint Economic Committee and to former Senator Abraham A. Ribicoff, Democrat of Connecticut.

Former Senator James L. Buckley of New York has been confirmed as Under Secretary for Security Assistance. White House officials said the appointment of Mr. Buckley, a champion of conservative causes, was made to blunt criticism of Mr. Reagan's appointments by Senator Helms and others.

The Director of Policy Planning is Paul D. Wolfowitz. Mr. Wolfowitz was co-director of the security studies program at the School of Advanced International Studies at Johns Hopkins University before that, he was a Deputy Assistant Defense Secretary in the Carter Administration and a specialist on strategic arms limitation talks at the Arms Control and Disarmament Agency.

Mr. Wolfowitz has rapidly become a key aide to Mr. Haig, according to department officials, and has played a central role in supporting the Administration's early verbal offensive against the Soviet Union.

He drew

It's the No. 2 Men Who Really Run Government

Nobody voted for them and they are rarely found in the spotlight, but decisions made every day by top deputies in the Reagan administration will go a long way in shaping the nation's future.

Behind closed doors in offices scattered across the nation's capital sit a handful of men, little known and seldom seen, who wield vast powers over the lives of all Americans.

They are the No. 2s—under secretaries or deputy directors of major federal agencies who hold the real control over day-to-day operations of Washington's sprawling bureaucracy.

While the spotlight focuses on secretaries of departments as they glide around in their limousines to cabinet meetings and congressional hearings, it is their top assistants left back at the office who often run the show.

Elected by no one—though their nominations must be confirmed by the Senate before they can take office—the No. 2s heavily influence how money is spent for defense and welfare, how economic policy is managed, whether regulations are to be eased or tightened and who is to get how big a slice of the federal money pie.

Cabinet secretaries traditionally are picked for their loyalty to the President, for their public stature or to reward a vital political constituency, but the No. 2s tend to be men who are expert in areas their departments control, are highly regarded for their managerial skills or possess solid political connections.

On these pages is a look at some of these men, their backgrounds, their philosophies and their plans for the country.

* * * * *

A Pro to Run the Spies

A lanky, soft-spoken admiral with a passion for anonymity seems destined to become CIA Director William Casey's indispensable right-hand man.

Vice Adm. Bobby Ray Inman knows not only the craft of intelligence but also the secrets of what is another mystery to many bureaucrats—how to get along with Congress.

One Senate aide who dealt frequently with Inman during the recent probes of intelligence abuses sums up the CIA's new deputy director this way:

"He is by far the best senior intelligence official we have. He is extraordinarily intelligent, straightforward, articulate."

"He has a marvelous memory and a good sense of what intelligence is for—what it should or should not do in American democracy. He gets along with all senators."

A native of Rhonesboro, Tex., Inman, 49, joined the Navy in 1952 as an ensign and served on the aircraft carrier U.S.S. *Valley Forge* in the Korean War. Rising steadily despite his lack of a Naval Academy degree, he was named director

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of the Defense Intelligence Agency in 1976.

Since 1977, he has headed the supersecret National Security Agency, which listens in on electronic transmissions of foreign countries.

Inman expects to shoulder a major burden in running the agency and coordinating the U.S. intelligence community while Director Casey,

an intelligence official in World War II, concentrates on management of covert operations.

The No. 1 problem, says Inman, is to rebuild America's intelligence manpower—neglected during the post-Vietnam years while money was spent on sophisticated satellite technology. He also wants to improve the CIA's ability to forecast where political events are headed.

Inman won raves on Capitol Hill, where Barry Goldwater (R-Ariz.), Senate Intelligence Committee chairman, told him: "If there's any such thing as the right man for the job at the right time, you're that man. I don't know of a man in the business who is better than you."

WIDE WORLD



Veteran spy Bobby Ray Inman seeks CIA manpower increase.

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Rejuvenated CIA Casey's Goal

By DANIEL F. GILMORE

WASHINGTON (UPI) — Stansfield Turner, the handsome former admiral, quietly dropped out of sight when President Reagan announced that World War II intelligence chief William Casey would replace him as CIA director.

"He's just an ordinary citizen now," a CIA spokesman said of Turner. "He's living in the Washington area."

And so went Turner, the ambitious, 57-year-old U.S. Naval Academy contemporary of Jimmy Carter and a man much criticized in his role as head of U.S. intelligence.

Turner, as 12th director of the CIA since its inception in 1947, was supposed to rejuvenate the agency after it was subjected to about two years of distracting attacks by civil libertarians and morale-shattering congressional investigations into past transgressions.

Turner tried to run the agency like the guided missile frigate Horn, which he once commanded. It didn't work.

Instead, on what Turner liked to call "my watch," he managed to alienate most of his colleagues, purge the agency of more than 1,000 of its veteran officers and agents and even incur the wrath of Carter himself for faulty intelligence on Iran, Afghanistan, the Middle East, Cuba and other points.

But Casey, the new CIA director, and his team have the respect of the intelligence community. They take over at a time when the general mood of the country favors good intelligence and a credible defense in a dangerous world.

Casey, 67, was head of clandestine actions for the World War II Office of Strategic Services, the forerunner of the CIA. There were two other CIA directors who served with the OSS: Allen Dulles, who carried out World War II espionage operations from neutral Switzerland, and William Colby, who parachuted into Nazi-occupied Norway on sabotage missions.

Casey later was chairman of the Securities and Exchange Commission and established a reputation as a corporation tax lawyer. Then he joined the Reagan team as campaign manager.

He is a disarmingly unpretentious man with thinning white hair, rumpled suits and sometimes vague answers to pointed questions. When it was rumored he was being tapped for CIA director, a United Press International reporter asked if he really was out for the job. "Not particularly," he said.

Those who have worked with him, however, say Casey has a razor sharp mind and he is known as a first rate administrator.

At his Senate confirmation hearings last month, Casey said he was not out to reorganize the CIA, but to revitalize and strengthen the agency, whose

morale has been badly damaged during the past five years.

His new deputy is Adm. Bobby Inman, 49, since 1977 head of the National Security Agency and regarded by knowledgeable persons as one of the most brilliant intelligence experts in the United States today.

There are also some CIA veterans and supporters in top Reagan administration positions and elsewhere in government, including:

- Vice President George Bush, CIA director for part of the Ford administration.

- Frank Carlucci, CIA deputy director under Turner, now deputy defense secretary

- CIA veterans in the National Security Council.

- John Blake, former CIA deputy director for administration and acting deputy before Turner took over, now staff director for the new, Republican-dominated Senate Intelligence Committee that oversees intelligence activities.

The committee chairman is Sen. Barry Goldwater, R-Ariz., a long-time proponent of a vigorous intelligence service, who said: "I think the CIA is going to find a very cordial reception here. It's difficult to discover any opposition to intelligence."

Secretary of State Alexander Haig, former NATO commander and a White House aide in the Nixon administration, is also a firm believer in a strong intelligence organization.

Reliable reports are circulating that many of the veterans who resigned in disgust during investigations of the CIA, or who were fired or sent into early retirement during Turner's watch, will be asked to return to the agency's sprawling headquarters at Langley, Va., across the Potomac River west of Washington.

A CIA spokesman said only that he understood President Reagan's 60-day federal hiring freeze also applies to the CIA. The Defense Department, however, received a waiver and the CIA might also be given an exceptional green light.

Casey, like his predecessor, wears two hats — as CIA director and director of central intelligence. In the latter position, he is in overall charge of the Defense Intelligence Agency, the State Department Bureau of Intelligence, the intelligence branches of other agencies and the armed services, and the National Security Agency.

The NSA, largest and most secretive of all U.S. intelligence agencies, monitors foreign communications, breaks down foreign codes and protects the security of U.S. codes.

It uses ground intercept stations, spy-in-the-sky satellites, U-2 and SR-70

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